## Message Text

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**ACTION STR-04** 

INFO OCT-01 IO-13 ISO-00 STRE-00 SSO-00 NSCE-00 USIE-00

INRE-00 AGR-05 CEA-01 CIAE-00 COME-00 DODE-00 EB-07

FRB-03 H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05

PA-01 AID-05 CIEP-01 SS-15 ITC-01 TRSE-00 PRS-01

SP-02 FEAE-00 OMB-01 AF-08 ARA-06 EA-07 EUR-12 NEA-10

OIC-02 /132 W

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O 161745Z JUL 76

FM USDEL MTN GENEVA

TO SECSTATE WASHDC IMMEDIATE 1761

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ACTION STR

H PASS CODEL

PASS AMBASSADOR YEUTTER

S/S-O NOTIFY DON KELLY (395-3150)

E.O. 11652: NXA TAGS: ETRD, MTN

SUBJ: NTM PAREST GROUP DISPUTE SETTLEMENT

REF: TPSC 76-39

1. AT LUNCHEON MEETING JULY 16 WITH HEADS OF DELEGATIONS OF EC, NETHERLANDS, CANADA, JAPAN, AUSTRALIA, SWEDEN AND SWITZERLAND (AS WELL AS GATT DEPUTY DIRECTOR-GENERAL PATTERSON), I HAD AN OCCASION TO GIVE THIS GROUP OF KEY DEVELOPED COUNTRIES A PREVIEW OF OUR INTENTION AT NTM LIMITED OFFICIAL USE

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PARENT GROUP NEXT TUESDAY TO PROPOSE THAT SECRETARIAT

PREPARE A LIST OF COMMON ELEMENTS OF VARIOUS MTN AGREEMENTS WITH PARTICULAR REFERENCE TO DISPUTE SETTLEMENT PROCESS (PER PARA 6 REFDOC). REACTION WAS IMMEDIATE AND NEGATIVE FROM ALL LISTENERS. THEY MADE FOLLOWING POINTS:

- (A) ALL WOULD NEED MORE TIME TO THINK ABOUT PROPOSAL AND UNABLE TO REACT AS QUICKLY AS NEXT TUESDAY;
- (B) IF U.S. SUGGESTION CONFINED EXCLUSIVELY TO DISPUTE SETTLEMENT PROCEDURES AS SUBJECT MERITING COMMON APPROACH, THEIR AUTHORITIES MIGHT REPEAT MIGHT BE PERSUADED TO GO ALONG WITH IDEA AT A LATER TIME BUT CERTAINLY NOT NOW. THEY WERE CERTAIN THAT THEIR CAPITALS WOULD VIGOROUSLY OPPOSE ANY SUGGESTION OF OPEN-ENDED LOOK AT ALL POSSIBLE "COMMON ELEMENTS" THAT MIGHT BE ANTICIPATED IN VARIOUS NTM CODES. PRINCIPAL OBJECTION WAS THAT THIS WOULD RAISE ISSUE OF CONDITIONAL MFN. THEY CONSIDERED THIS PANDORA'S BOX THAT SHOULD BE KEPT CLOSED UNTIL MUCH LATER IN THE MTN AND SHOULD UNDER NO CIRCUMSTANCES BE INTRODUCED NOW IN PRESENCE OF LDC'S WHERE IT WILL PROVOKE A THEOLOGICAL DISPUTE INVOLVING UNANIMOUS LDC INSISTENCE ON ALL RIGHTS AND NO OBLIGATIONS AND IN A CONTEXT UNRELATED TO ANY TANGIBLE SUBJECT;
- (C) JAPANESE REPRESENTATIVE NOTED RISK IN U.S. SUGGESTION OF GIVING LDC'S A POSSIBLE HANDLE TO CREATE AN ADDITIONAL PROBLEM IN CONTEXT OF MFA RENEWAL IN THAT LDC'S COULD SUGGEST THERE IS NO HURRY ABOUT RENEWING MFA UNTIL DISPUTE SETTLEMENT IN TEXTILES CONTEXT HAS BEEN PUT ON COMMON FOOTING WITH DISPUTE SETTLEMENT IN OTHER NEGOTIATIONS UNDERWAY IN MTN CONTEXT;
- (D) THIS GROUP FELT STRONGLY THAT THERE SHOULD BE MORE CONSULTATION AMONG KEY DEVELOPED COUNTRIES ABOUT COMMON DISPUTE SETTLEMENT MECHANISM BEFORE SURFACING A PROPOSAL OF THIS KIND IN ANY FORMAL MTN GROUP. THEY DO NOT DISAGREE THAT IT NEEDS TO BE TALKED ABOUT BUT FELT LIMITED OFFICIAL USE

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TIMING WAS WRONG TO INTRODUCE MULTILATERAL DISCUSSION OF IT NOW.

2. I WAS, FRANKLY, TAKEN ABACK BY THE STRENGTH AND VIGOR OF THE REACTIONS I ENCOUNTERED WHEN I FLOATED BY THIS IDEA. TO PROCEED PER PARA 6 REFDOC IN LIGHT OF THAT REACTION WOULD SEEM TO SERIOUSLY PREJUDICE POSSIBILITY OF OUR ATTAINING OBJECTIVE WE SEEK. I ACCORDINGLY

INTEND, UNLESS INSTRUCTED TO CONTRARY, NOT TO PURSUE PARA 6 REFDOC AT MTN PAREST GROUP MEETING JULY 20. INSTEAD, I PROPOSE TO ENGAGE IN BILATERAL CONSULTATIONS WITH KEY DEVELOPED COUNTRIES IN ORDER TO PAVE WAY FOR MORE RECEPTIVE REACTION ON THEIR PART AT NEXT MTN PAREST GROUP MEETING THIS FALL.WALKER

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## Message Attributes

Automatic Decaptioning: X Capture Date: 01 JAN 1994 Channel Indicators: n/a

**Current Classification: UNCLASSIFIED** 

Concepts: DISPUTE SETTLEMENT, NONTARIFF BARRIERS, LESS DEVELOPED COUNTRIES, MEETINGS

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Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MÁY 2006

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Subject: NTM PAREST GROUP DISPUTE SETTLEMENT TAGS: ETRD, MTN
To: STATE

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